

ALSTOM

ORDINARY AND EXTRAORDINARY SHAREHOLDERS' MEETING

5 JULY 2016

PRESENTATION OF THE RESOLUTIONS

All the information that must be published within the framework of this Shareholders' Meeting pursuant to Article R. 225-73-1 of the French Commercial Code will be made available to the shareholders within legal time limits on the Alstom's internet website (<http://www.alstom.com/investors/shareholder-corner/annual-general-meeting>). The text of the resolutions, which is available on the Alstom internet website, is also included in the Preliminary Notice of Meeting relating to this Shareholders' Meeting published in the French *Bulletin des Annonces Légales et Obligatoires* on 27 May 2015. As indicated below, additional information will also be given notably in the Alstom Notice of Meeting for this Shareholders' meeting ("Notice of meeting") and in the Alstom Registration Document for fiscal year 2015/2016 ("Registration Document 2015/2016"), which will be made available soon on Alstom's internet website.

AGENDA OF THE MEETING

On the ordinary part of the Shareholders' Meeting

- Board of Directors' report.
- Statutory Auditors' report on the annual statutory accounts for the fiscal year ended on 31 March 2016.
- Statutory Auditors' report on the consolidated financial statements for the fiscal year ended on 31 March 2016.
- Statutory Auditors' report on related-party agreements and commitments.
- Approval of the statutory financial statements and operations for the fiscal year ended on 31 March 2016.
- Approval of the consolidated financial statements and operations for the fiscal year ended on 31 March 2016.
- Allocation of income for the fiscal year ended on 31 March 2016.
- Approval of related party agreements and commitments.
- Renewal of Mr Pascal Colombani's appointment as a Director.
- Renewal of Mr Gérard Hauser's appointment as a Director.
- Advisory vote on the elements of remuneration due or attributed to Mr Patrick Kron in the fiscal year 2015/16.
- Advisory vote on the elements of remuneration due or attributed to Mr Henri Poupart-Lafarge in the fiscal year 2015/16.
- Authorisation to be given to the Board of Directors to trade the Company's shares.

On the extraordinary part of the Shareholders' Meeting

- Board of Directors' report.
- Special Statutory Auditors' reports.
- Delegation of competence to the Board of Directors to increase the share capital of the Company by the issue of shares and of any type of securities which give immediate and future access to the shares of the Company or one of its subsidiaries, with maintenance of the preferential subscription right, and/or by incorporating premiums, reserves, profits, or others (only available outside public tender offer's periods).

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- Delegation of competence to the Board of Directors to increase the share capital of the Company by the issue of shares and of any type of securities which give immediate and/or future access to the shares of the Company or one of its subsidiaries with cancellation of the preferential subscription right by a public offer (only available outside public tender offer's periods).
- Delegation of competence to the Board of Directors to increase the share capital of the Company by the issue of shares and of any type of securities which give immediate and/or future access to the shares of the Company or one of its subsidiaries with cancellation of the preferential subscription right by a private placement as described in paragraph II of Article L. 411-2 of the French Monetary and Financial Code (only available outside public tender offer's periods).
- Delegation of authority to the Board of Directors to increase the share capital by no more than 10% in consideration of contributions in kind of shares or securities giving access to the share capital (only available outside public tender offer's periods).
- Delegation of competence to the Board of Directors to increase the number of securities to be issued in case of capital increase, with or without preferential subscription rights (only available outside public tender offer's periods).
- Delegation of competence to the Board of Directors to set the issuance price without shareholders' preferential subscription rights, by a public offer or a private placement of capital securities to be issued immediately or in the future in the limit of 10% of the share capital (only available outside public tender offer's periods).
- Delegation of competence to the Board of Directors to issue, with cancellation of the preferential subscription, Company shares and securities granting access to the Company's share capital in the event of a public exchange offer initiated by the Company (only available outside public tender offer's periods).
- Delegation of competence to the Board of Directors to issue, with cancellation of the preferential subscription, Company shares, as a result of the Company's subsidiaries issuing securities granting access to the Company's share capital (only available outside public tender offer's periods).
- Delegation of competence to the Board of Directors to increase the share capital of the Company by the issue of shares and of any type of securities which give immediate and/or future access to the shares of the Company or one of its subsidiaries, with maintenance of the preferential subscription right, and/or by incorporating premiums, reserves, profits, or others (only available during public tender offer's periods).
- Delegation of competence to the Board of Directors to increase the share capital of the Company by the issue of shares and of any type of securities which give immediate and/or future access to the shares of the Company or one of its subsidiaries with cancellation of the preferential subscription right by a public offer (only available during public tender offer's periods).
- Delegation of competence to the Board of Directors to increase the share capital of the Company by the issue of shares or of any type of securities which give immediate and/or future access to the shares of the Company or one of its subsidiaries with cancellation of the preferential subscription right by a private placement as described in paragraph II of Article L. 411-2 of the French Monetary and Financial Code (only available during public tender offer's periods).
- Delegation of authority to the Board of Directors to increase the share capital by no more than 10% in consideration of contributions in kind of shares or securities giving access to the share capital (only available during public tender offer's periods).
- Delegation of competence to the Board of Directors to increase the number of securities to be issued in case of capital increase, with or without preferential subscription rights (only available during public tender offer's periods).
- Authorization to the Board of Directors to set the issuance price without shareholders' preferential subscription rights, by a public offer or a private placement of capital securities to be issued immediately or in the future in the limit of 10% of the share capital (only available during public tender offer's periods).
- Delegation of competence to the Board of Directors to issue, with cancellation of the preferential subscription, Company shares and securities granting access to the Company's share capital in the event of a public exchange offer initiated by the Company (only available during public tender offer's periods).
- Delegation of competence to the Board of Directors to issue, with cancellation of the preferential subscription, Company shares, as a result of the Company's subsidiaries issuing securities granting access to the Company's share capital (only available during public tender offer's periods).
- Delegation of competence to the Board of Directors to increase the Company's share capital by issues of shares or securities with cancellation of the preferential subscription right in favour of members of a company savings plan.

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- Delegation of competence to the Board of Directors to increase the share capital of the Company with cancellation of the preferential subscription right to a category of beneficiaries.
- Authorisation to implement the Shareholders' Meeting's decisions and complete the formalities.

BOARD OF DIRECTORS' REPORT TO THE COMBINED SHAREHOLDERS' MEETING RELATING TO THE RESOLUTIONS

The report below constitutes the part of the Board of Directors' report to the Shareholders' Meeting relating to the resolutions. The other parts of the Board of Directors' report to the Shareholders' Meeting, pursuant to applicable law and regulations, notably Articles L. 225-100, L. 225-100-2 *et seq.* of the French Commercial Code, are included in Alstom's Annual Report/"*Document de Référence*" for fiscal year ended 31 March 2016 (the "Registration Document 2015/16") in the following sections:

- "Management report on consolidated financial statements fiscal year 2015/16" in accordance with, notably, Articles L. 225-100-2, L. 233-26 and L. 232-1-II of the French Commercial Code;
- "Risk factors" and "Group description of activities" which are part of the above report on the Group's management;
- "Financial information" which includes comments on Alstom's statutory accounts (Article L. 225-100 of the French Commercial Code), the information required as per Article D. 441-4 of the French Commercial Code and the five-year summary statutory results (Article R. 225-102 of the French Commercial Code);
- "Corporate Governance" which includes, on the one hand, in the Chairman's report pursuant to Article L. 225-37 of the French Commercial Code approved by the Board of Directors, information on directorships, functions and remuneration and benefits of any kind of Executive and non-Executive Directors (Article L. 225-102-1 and L. 225-185 of the

French Commercial Code) and on internal control and risk management procedures and, on the other hand, the operations completed by corporate officers and assimilated persons referred to in Article L. 621-18-2 of the French Monetary and Financial Code;

- "Sustainable Development" which includes social, environmental and societal information (Article L. 225-102-1 of the French Commercial Code); and
- "Additional Information," which includes:
 - information on the share capital: information on notification of crossing of shareholding thresholds received by the Company and holding by the Company of its own shares (Article L. 233-13 of the French Commercial Code), on employee shareholding (Article L. 225-102 of the French Commercial Code), on existing delegations to increase the share capital and their use during the fiscal year (Article L. 225-100 of the French Commercial Code) and on share purchase programme (Article L. 225-211 of the French Commercial Code),
 - information on the agreements discussed in the last paragraph of Article L. 225-102-1 of the French Commercial Code,
 - information on shareholdings taken during the fiscal year (Article L. 233-6 of the French Commercial Code), and
 - elements which may have an impact in case of tender offer (Article L. 225-100-3 of the French Commercial Code).

ON THE ORDINARY PART OF THE SHAREHOLDERS' MEETING

Approval of Alstom's financial statements (statutory and consolidated) for the fiscal year ended on 31 March 2016 and proposal for the allocation of income

(First to third resolution)

The shareholders will be asked, after reviewing the Board of Directors and Statutory Auditors' reports, to approve the transactions and the statutory and consolidated financial statements, respectively, as presented to them, for the fiscal year ended 31 March 2016.

For the fiscal year ended 31 March 2016, the consolidated financial statements show a profit of €3,011 million.

For the fiscal year ended 31 March 2016, the statutory financial statements record a loss in the amount of €268,164,642.80. Shareholders will also be asked to allocate the loss for the fiscal year ended 31 March 2016 on the account "general reserve" which, as a result, would amount to €3,824,443,042.99. No dividend will be paid to Shareholders in respect of the fiscal year ended 31 March 2016.

The shareholders are reminded that the following dividends were distributed in respect of the previous fiscal years:

Fiscal Years	2014/2015 (in €)	2013/2014 (in €)	2012/2013 (in €)
Dividend per share (*)	-	-	0.84

(*) Amount eligible for the 40% tax reduction discussed in Article 158-3-2 of the French General Tax Code.

PRESENTATION OF THE RESOLUTIONS

BOARD OF DIRECTORS' REPORT TO THE COMBINED SHAREHOLDERS' MEETING RELATING TO THE RESOLUTIONS

Related party agreements and commitments

(Fourth resolution)

In the fourth resolution, and after reading, in particular, the Statutory Auditors' special report, shareholders will be requested to approve the related party agreements and commitments established pursuant to Article L. 225-40 of the French Commercial Code. These agreements result from the related party agreement procedure described in Article L. 225-40 of the French Commercial Code pursuant to the terms of Article L. 225-46 of that same Code. They are related to agreements and commitments authorised by the Board of Directors during the fiscal year 2015/2016 with regard to the Chairman and Chief Executive Officer.

The commitments in favour of Mr Henri Poupart-Lafarge pertain to the entitlement to the defined contribution plan and the defined benefit plan and the severance payment to be paid to Mr Henri Poupart-Lafarge should his mandate terminate prematurely.

Information pertaining to these commitments in favour of Mr Henri Poupart-Lafarge are provided in the Chairman's Report included in the Registration Document 2015/16 (see Registration Document 2015/16, section Corporate Governance) as well as in the presentation of the elements of remuneration due or granted to Mr Henri Poupart-Lafarge during the fiscal year 2015/16, which are submitted for the advisory vote of the Shareholders in the eighth resolution of this Shareholders' Meeting.

In addition, you are asked to acknowledge the information on previous agreements and commitments entered into and approved by the Shareholders' Meeting in the previous fiscal years.

These commitments are also presented in the Statutory Auditors' special report which can be found on page 28 of this Notice.

Directors' mandates

(Fifth to sixth resolution)

The terms of office of Mr Pascal Colombani and Mr Gérard Hauser will expire at the end of this Meeting.

Based on the Nominations and Remuneration Committee's recommendation, the fifth and sixth resolutions ask you to renew the terms of office of Mr Pascal Colombani (independent Director and Chairman of the Ethics, Compliance and Sustainability Committee) and Mr Gérard Hauser (independent Director, Lead Director and Chairman of the Nominations and Remuneration Committee) for a four-year period, or until the end of the Ordinary General Meeting called to approve the financial statements for the fiscal year ending on 31 March 2020.

On 10 May 2016, the Board of Directors undertook the annual review of the independence of its members based on the criteria set forth in the Corporate Governance AFEP-MEDEF code and confirmed that Mr Pascal Colombani and Mr Gérard Hauser met the conditions required to be independent Directors (see Registration Document 2015/16 page 170). At the same meeting, the Board of Directors performed a detailed review of Mr Pascal Colombani and Mr Gérard Hauser's respective status, for whom the duration of their respective mandates will exceed twelve years as of the General Shareholders' Meeting dated 5 July 2016, and for whom a four-year renewal in office will be proposed at said upcoming General Shareholders' Meeting.

The Board of Directors considered that, since the Company's sale of its energy businesses to General Electric led to the in-depth overhaul of its senior management, the fact that Mr Pascal Colombani and Mr Gérard

Hauser have exercised their duties for more than twelve years does not compromise their ability to exercise independent judgement vis-à-vis other senior executives, of whom they have only indirectly controlled the actions. In addition, the sale also significantly modified the Company's scope of consolidation, since its business activities are now refocused on the Transport business, which, pre-sale, only represented roughly 30% of the former Alstom's total scope of consolidation. Therefore, the fact that those Directors remained in office for more than twelve years should not compromise their ability to exercise independent judgement vis-à-vis general or more strategic decisions that have been or will be taken in the context of this new scope of consolidation. Now refocused on its Transport business, Alstom's activities target significant investments projects and long-term contracts. As such, long-term Board experience is helpful for monitoring the changes in the Company's business activities based on their historical development, and to formulate a more informed opinion in order to make more informed investment decisions. Lastly, the Board considered the fact that, in the next two years, the Company must carry out transactions associated with the completion of the sale of the energy businesses to General Electric, and that it holds significant equity in joint ventures established with the latter in the energy sector. This justifies retaining Board members who have an in-depth understanding of these businesses as well as the terms and conditions of the transaction with General Electric.

Based on all of these considerations and the role of Mr Pascal Colombani (Chairman of the Ethics, Compliance and Sustainability Committee) and Mr Gérard Hauser (Lead Director and Chairman of the Nominations and Remuneration Committee) within the Board of Directors, the Board decided that, in the event the General Shareholders' Meeting dated 5 July 2016 votes to renew their term of office, Mr Pascal Colombani and Mr Gérard Hauser should maintain their independent Director status.

However, in order to allow the Company to continue to consider all of the criteria recommended by the AFEP-MEDEF Code with respect to the assessment of Directors' independence, including the seniority criterion within the Board, Mr Pascal Colombani and Mr Gérard Hauser have already announced that, should their Board mandate be renewed, they would remain Directors of the Company only for a limited period of time.

Subject to the renewal of the mandates of Mr Pascal Colombani and Mr Gérard Hauser as a Director at the General Shareholders' Meeting of 5 July 2016, the Board of Directors will include seven independent Directors out of a total of 12 (58%) the proportion of women in the Board of Directors will remain at 33%.

Advisory vote on the elements of remuneration due or attributed to Mr Patrick Kron in the fiscal year ended 31 March 2016

(Seventh resolution)

In accordance with the AFEP-MEDEF Code, the Company's reference, as updated in November 2015, the Shareholders are invited to issue an advisory vote on the elements of compensation due or attributed in the 2015/16 fiscal year to Mr Patrick Kron, Chairman and CEO of the Company until 31 January 2016.

Below is a table showing the elements of remuneration due or granted to Mr Patrick Kron, Chairman and CEO of the Company, during the 2015/16 fiscal year, for which we are seeking your advisory vote, it being specified that all of these elements of remuneration are also detailed in the Company's Registration Document for fiscal year 2015/16, page 179.

PRESENTATION OF THE RESOLUTIONS

BOARD OF DIRECTORS' REPORT TO THE COMBINED SHAREHOLDERS' MEETING RELATING TO THE RESOLUTIONS

	Amount or Book Value on which to vote	Notes
Annual fixed gross remuneration	€1,200,000 (€1,000,000 for the fiscal year)	The total annual fixed remuneration paid to Mr Patrick Kron, set at €1,200,000, did not change compared to the previous fiscal year. Consequently, for the period running from 1 April 2015 to 31 January 2016, such remuneration totalled €1,000,000.
Annual variable gross remuneration	€1,158,000	<p>The variable part of the Chairman and Chief Executive Officer's remuneration is a maximum percentage of the fixed part. It varies along with the achievement of objectives for the fiscal year predetermined by the Board of Directors upon proposal of the Nominations and Remuneration Committee. These objectives are comprised of, on one hand, a number of the Group's financial objectives and, on the other hand, specific qualitative objectives linked to the achievement of personal objectives that are reviewed every year and determined based on the strategic priorities defined for the Group. The Board of Directors determines the level of completion of these objectives and the amount of the variable part of the remuneration, based on the Nominations and Remuneration Committee's proposal, no later than at the meeting during which the Board approves the accounts for the fiscal year.</p> <p>Since 2006, the variable remuneration of the Chairman and Chief Executive Officer was capped at 160% of his fixed remuneration and, provided he meets the set objectives, the variable remuneration target represented 100% of the fixed remuneration.</p> <p>At its meeting dated 5 May 2015, the Board of Directors had determined that, like for the 2014/15 fiscal year, the variable remuneration payable to Mr Patrick Kron for the 2015/16 fiscal year would range from 0% to 160% of his fixed remuneration. One part would be linked to the Group's financial objectives and range from 0% to 80% of his fixed remuneration (with a 40% target) and another part would be linked to specific qualitative objectives ranging from 0% to 80% (with a 60% target).</p> <p>The financial objectives associated with the Transport Sector would count for three fourths of the financial component, or a 0 to 60% range of his fixed remuneration with a 30% target, it being specified that the indicators retained are the gross margin on orders received, operating income and margin, and free cash flow. The financial objectives associated with the Energy Sector would count for one fourth of the financial component, or a 0 to 20% range with a 10% target, the indicators being operating margin and free cash flow.</p> <p>The personal objectives would take into account, for one third of the total, indicators assessing the management of the Company during the transition period, for another third, the implementation of the Public Share Buyback Offer, and for the final third, the definition of the new corporate strategy once refocused on its Transport businesses.</p> <p>At its meeting dated 28 January 2016 and based on the Nominations and Remuneration Committee's proposal, the Board of Directors noted that:</p> <ul style="list-style-type: none"> • regarding financial objectives, the level of completion associated with the Energy businesses or linked to the second half of the fiscal year or to the whole fiscal year is considered as 100% complete, since Mr Patrick Kron's retirement prior to the publication of the results of the fiscal year does not allow for a real value assessment of the results obtained. The part linked to the Transport sector is measured at real value for the first half of the fiscal year. As a consequence, the overall variable part linked to financial objectives will be equal to 42.1% of the annual fixed remuneration, within a range of 0% to 80% (with a 40% target); • for personal objectives: <ul style="list-style-type: none"> • the part associated with the management of the transition period is valued at 26.67%, within the range of 0% to 26.67% (with a 20% target), • the part linked to the management of the OPRA is valued at 26.67%, within the range of 0% to 26.67% (with a 20% target), • the part related to the definition of strategic priorities for the Transport businesses is valued at 20%, within the range of 0% to 26.67% (with a 20% target). <p>Therefore, the aggregate variable portion associated with personal goals is equal to 73.33% of the gross fixed remuneration within the 0% to 80% range (with a 60% target).</p> <p>As a result the Board determined that Mr Patrick Kron's variable remuneration for the 2015/16 fiscal year is equal to €1,158,000, prorated to the period running from 1 April 2015 to 31 January 2016, corresponding to a goal achievement level of <i>circa</i> 115%.</p>
Deferred annual remuneration	N/A	There is no deferred annual remuneration.

PRESENTATION OF THE RESOLUTIONS

BOARD OF DIRECTORS' REPORT TO THE COMBINED SHAREHOLDERS' MEETING RELATING TO THE RESOLUTIONS

	Amount or Book Value on which to vote	Notes
Multi-year variable remuneration	N/A	There is no multi-year variable remuneration.
Exceptional variable gross remuneration	€4,449,000	At its meeting dated 4 November 2015, the Board acknowledged the satisfaction of the conditions necessary for the payment of the exceptional conditional remuneration (in the meaning of Article 23.2.3, 9 th paragraph of the AFEP-MEDEF Code), which had been granted to Mr Patrick Kron at the meeting dated 4 November 2014, and had been approved at the General Shareholders' Meeting dated 30 June 2015 (87.18%) and the payment of which was subject to the approval of the transaction with General Electric by the General Shareholders' Meeting (this condition was met on 19 December 2014), the receipt of all necessary authorisations for the sale of the Energy businesses to General Electric, as well as the actual presence of the Executive Officer as Chairman and Chief Executive Officer of the Company on the date of payment. Therefore, and based on the Nominations and Remuneration Committee's recommendation, it established that the amount of this exceptional variable remuneration is equal to €4,449,000 before tax, in other words the exchange value, in Euros, of 150,000 shares of the Company at the price of €29.66 each, corresponding to the average weighted price on the closing date of the transaction with General Electric, on 2 November 2015.
Stock options, performance shares and other elements of long-term remuneration	N/A	<p>No conditional stock options and/or performance shares were granted to Mr Patrick Kron over the course of the 2015/16 fiscal year.</p> <p><u>Reminder of the commitment made in favour of Mr Patrick Kron, approved by the General Shareholders' Meeting in connection with the related party agreements and commitments procedure:</u></p> <p>In the event that the Company terminates or Mr Patrick Kron resigns from his mandate, the latter can still exercise the stock options and receive the shares, subject to performance conditions, granted to him prior to the end of his mandate. Such shares must have been vested by the end of his mandate, following his satisfaction of the conditions governing the plans.</p> <p>This commitment was first approved at the General Shareholders' Meeting dated 23 June 2009, then reiterated a second time at the General Shareholders' Meeting dated 26 June 2012 (4th resolution), in the context of the related party agreements and commitments procedure. It was once again authorised by the Board of Directors at its meeting dated 5 May 2015 and approved by the General Shareholders Meeting dated 30 June 2015 (12th resolution).</p> <p>The commitments taken were implemented in connection with Mr Patrick Kron's decision to retire on 31 January 2016.</p>
Attendance fees	N/A	Mr Patrick Kron received no attendance fees with respect to his directorship.
Severance pay	N/A	Mr Patrick Kron received no severance pay.
Severance pay from a Non-Compete Agreement	N/A	Mr Patrick Kron received no remuneration for non-competition.

PRESENTATION OF THE RESOLUTIONS

BOARD OF DIRECTORS' REPORT TO THE COMBINED SHAREHOLDERS' MEETING RELATING TO THE RESOLUTIONS

	Amount or Book Value on which to vote	Notes
Supplemental retirement plans	No direct payment	<p><u>Defined Contribution Plan</u></p> <p>With respect to the defined contribution plan, the rights are acquired annually and correspond to 1% of the annual remuneration up to four times the Social Security ceiling, 4% of the annual remuneration within a range of four to eight times the Social Security ceiling and 11% of the annual remuneration within a range of eight to twelve times the Social Security ceiling. Since 1 July 2014, 95% of social contributions are borne by the Company. The amount of contributions paid to AXA for fiscal year 2015/16 for the benefit of Mr Patrick Kron under the defined contribution plan was €21,388 of which €20,319 was paid by the Company.</p> <p><u>Defined Benefit Plan</u></p> <p>The defined benefit plan covers persons exercising functions within the Group in France whose base annual remuneration exceeds eight times the annual French social security ceiling. The rights under the plan are vested only if the beneficiary retires from the Company and after claiming his or her retirement rights. Beneficiaries, who after reaching the age of 55 years, are dismissed for any reason other than an act of gross negligence, can also benefit from this scheme provided they do not exercise any professional activities prior to the windup of their pension.</p> <p>Even though the plan does not set a minimum seniority requirement of two years to be met in order to benefit from it, the plan remains compliant with the intention behind the AFEP-MEDEF recommendation insofar as entitlements are acquired gradually and only represent, per year of seniority in the scheme, a limited percentage of the annual compensation corresponding to 0.6% of the annual reference remuneration within a range of eight to twelve times the Social Security ceiling and to 1.2% of the annual reference remuneration in excess of twelve times the Social Security ceiling. The annual reference remuneration is equal to the average fixed and variable remuneration received over the course of the past three years prior to retirement. This annual reference remuneration was capped at €2 million (adjusted since 2008).</p> <p>The gradual accrual of potential rights based on seniority in the scheme represents a percentage that is lower than the 5% cap on the beneficiary's remuneration provided for under the AFEP-MEDEF Code.</p> <p>Pursuant to Mr Patrick Kron's retirement and in accordance with the commitments made to him, a €5,400,000 payment was made to AXA in order to windup the supplemental pension entitlements under this plan, to be dispensed annually in €285,000 instalments. This amount was previously provisioned as and when the corresponding rights were acquired by Mr Patrick Kron.</p> <p>Due to the fact that Mr Patrick Kron claimed all of his retirement entitlements, as of 31 January 2016 the Company has fulfilled all retirement commitments made to him.</p>
Collective life, disability and health insurance plans	No direct payment	Mr Patrick Kron received, like all other employees in France beyond a certain level of responsibility, extra medical coverage and a death or disability health insurance contract, the costs of which were borne in part by the Company.
Benefit in kind	Valuation: €2,912	Mr Patrick Kron was assigned a Company car, corresponding to a benefit in kind of €2,912 per year from 1 April 2015 to 31 January 2016.

PRESENTATION OF THE RESOLUTIONS

BOARD OF DIRECTORS' REPORT TO THE COMBINED SHAREHOLDERS' MEETING RELATING TO THE RESOLUTIONS

Advisory vote on the elements of remuneration due or attributed to Mr Henri Poupart-Lafarge in the fiscal year ended 31 March 2016

(Eighth resolution)

In accordance with the AFEP-MEDEF Code, the Company's reference, as updated in November 2015, the Shareholders are invited to issue an advisory vote on the elements of compensation due or attributed in the 2015/16 fiscal year to Mr Henri Poupart-Lafarge, Chairman and CEO of the Company since 1 February 2016.

Below is a table showing the elements of remuneration due or granted, during the 2015/16 fiscal year, to Mr Henri Poupart-Lafarge, Chairman and CEO of the Company since 1 February 2016, for which we are seeking your advisory vote, it being specified that all of these elements of remuneration are also detailed in the Company's Registration Document for fiscal year 2015/16, page 179.

The remuneration of the Chairman and Chief Executive Officer is set by the Board of Directors upon the Nominations and Remuneration Committee's proposal and comprised of a fixed part and of a variable part linked to the performance of the Company. It comes with an entirely conditional

grant of performance shares. All of the potential or acquired elements of compensation are made public after the Board meeting during which they were determined.

The remuneration policy and all the components of the Chairman and Chief Executive Officer's remuneration, including the supplemental retirement scheme, are reviewed annually by the Nominations and Remuneration Committee and the Board of Directors based, in particular, on analyses prepared by independent external consultants that assist the Board in developing a better understanding of market practices.

These analyses offer a comparison of the level and the structure of the remuneration paid to the Executive Director with that of other similar size companies of the CAC 40 and SBF 120 (level and evolution of the remuneration, respective ratio of each of the components of the remuneration) and of international companies operating in similar sectors.

The remuneration policy is then defined in such a way as to take into account the interest and the strategy of the Company, its performance and the evolution of the Executive Director's remuneration over several years. It takes specific situations into account and, as such, can trigger the grant of exceptional remuneration under exceptional circumstances. It is consistent with the remuneration policy applicable to all of the executive managers of the Group.

PRESENTATION OF THE RESOLUTIONS

BOARD OF DIRECTORS' REPORT TO THE COMBINED SHAREHOLDERS' MEETING RELATING TO THE RESOLUTIONS

	Amount or Book Value on which to vote	Notes
Annual fixed gross remuneration	€750,000 (€125,000 for the fiscal year)	The Board of Directors, at its meeting dated 28 January 2016 and as a result of Mr Henri Poupart-Lafarge's appointment as Chairman and Chief Executive Officer, decided that the latter's fixed remuneration would total €125,000 for the period running from 1 February 2016 to 31 March 2016, which corresponds to €750,000 annually. This remuneration will not change for two years, or until January 2018.
Annual variable gross remuneration	€120,369	<p>The variable part of the Chairman and Chief Executive Officer's remuneration is a maximum percentage of the fixed part. It varies along with the achievement of objectives for the fiscal year predetermined by the Board of Directors upon proposal of the Nominations and Remuneration Committee. These objectives are comprised of, on one hand, a number of the Group's collective objectives and, on the other hand, specific qualitative objectives linked to the achievement of personal objectives that are reviewed every year and determined based on the strategic priorities defined for the Group. The Board of Directors determines the level of completion of these objectives and the amount of the variable part of the remuneration, based on the Nominations and Remuneration Committee's proposal, no later than at the meeting during which the Board approves the accounts for the fiscal year.</p> <p>Concerning Mr Henri Poupart-Lafarge, the Board of Directors determined, at its meeting dated 28 January 2016, based on the Nominations and Remuneration Committee's proposal, that the target variable remuneration would be equal to 100% of the annual fixed remuneration and could vary within a range of 0% to 170% of such remuneration, broken down into two parts:</p> <ul style="list-style-type: none"> • one part associated with collective Company objectives that can vary from 0% to 120%, with a 60% target; • one part related to personal or qualitative objectives that can vary from 0% to 50%, with a 40% target. <p>Every year, the Board of Directors will set the collective and individual objectives.</p> <p>With respect to the 2015/16 fiscal year, at its meeting dated 10 May 2016 and based on the Nominations and Remuneration Committee's proposal, the Board of Directors noted that:</p> <ul style="list-style-type: none"> • for financial objectives based on four performance criteria, operating income and margin, free cash flow and margin on orders received, all measured on a half year and full year basis, the evaluation should be established at 61.4% for a target at 60%; • for personal objectives based on five performance criteria (definition of Alstom's organization after the deal with General Electric, sales performance, operational and financial performance, Alstom's image and Employees' safety), the evaluation should be established at 36.5% for a target at 40%. <p>Therefore, the Board determined that the variable remuneration payable to Mr Henri Poupart-Lafarge for fiscal year 2015/16 is equal to €120,369, as prorated relative to the period ranging from 1 February 2016 to 31 March 2016, corresponding to a 97.9% level of achievement of set objectives. The objectives of Mr Henri Poupart-Lafarge as Transport Sector President from 1 April 2015 to 31 January 2016 were identical and have been evaluated at the same level of achievement, triggering an additional variable remuneration for said period based on a target of 60% of his fixed remuneration as an employee.</p>
Deferred annual remuneration	N/A	There is no deferred annual remuneration.
Multi-year variable remuneration	N/A	There is no multi-year variable remuneration.
Exceptional variable gross remuneration	N/A	There is no exceptional variable remuneration.

PRESENTATION OF THE RESOLUTIONS

BOARD OF DIRECTORS' REPORT TO THE COMBINED SHAREHOLDERS' MEETING RELATING TO THE RESOLUTIONS

	Amount or Book Value on which to vote	Notes
Stock options, performance shares and other elements of long-term remuneration	36,000 performance shares	<p>The main characteristics of the allocation policy applied to the Chairman and Chief Executive Officer comply with the November 2015 recommendations of the AFEP-MEDEF Code (with the exception of the acquisition requirement, as indicated below) and are the following:</p> <ul style="list-style-type: none">• frequency: allocation carried out annually, subject to exception;• performance requirements: since fiscal year 2015/16, 70% of the shares are allocated subject to the satisfaction of performance conditions internal to the Group over the course of three fiscal years following the grant of the performance shares (see hereafter) and 30% are allocated based on external performance conditions assessed at the end of the 3rd year;• limits applicable to the allocation: in place since fiscal year 2009/10;• holding requirement: stricter requirements applied since fiscal year 2013/14;• acquisition requirement associated with the grant of performance shares: eliminated during fiscal year 2013/14 as a result of implementing stricter holding requirements on the Chairman and Chief Executive Officer;• use of hedging instruments prohibited: yes;• blackout periods during which the sale of shares is prohibited. <p>The general characteristics of the performance shares allocated to the Chairman and Chief Executive Officer are identical to those offered in all other allocations made by the plan. To these general characteristics shall be added the specific limitations or obligations fixed by the Board of Directors in compliance with the applicable regulations and recommendations of the AFEP-MEDEF Code on the remuneration of Executive Directors. In addition, grants are carried out in compliance with allocation sub-ceilings applicable to Executive Officers and set in the resolutions of the General Shareholders' Meeting.</p> <p>Based on the grant he received on 17 March 2016 in the context of the PSP 2016, the Chairman and Chief Executive Officer will be required to hold in registered form, 50% of the performance shares definitively granted to him at expiration of the vesting period.</p> <p>This holding requirement will cease to apply when the Chairman and Chief Executive Officer reaches a retention target of shares held in registered form, corresponding to a value of three years of his last annual gross fixed remuneration. The calculation will be made while taking into account the market price of the share at the time the performance shares are definitively granted.</p> <p>Moreover, internal rules of conduct of the Group applicable where inside information is held, prevent any sale of shares, during 30 calendar days before Alstom's first six-months and annual results are disclosed to the public (the period being reduced to 15 calendar days with respect to quarterly results) and up to the second trading day included after the date when this information has been disclosed to the public, and, in any case, when inside information is held until the second trading day after the date when this information has been disclosed to the public. During periods where trading is not prohibited, these internal rules create an obligation to consult the Group's legal counsel and the Chief Financial Officer in case of doubt on the ability to trade prior to any such transaction.</p> <p>In accordance with the terms of the AFEP-MEDEF Code, in March 2016, Mr Henri Poupart-Lafarge also confirmed his commitment, applicable during the full length of his term of office, to refrain from using hedging instruments on the performance shares granted by the Company. To the Company's knowledge, no hedging instrument has been set up.</p> <p>At the Board of Directors meeting dated 17 March 2016, Mr Henri Poupart-Lafarge received a grant of 36,000 performance shares (the final vesting of which is subject to performance conditions and cannot take place prior to the publication of the results of the 2018/19 fiscal year) under PSP 2016, which the Board of Directors implemented on such date. As from 2016, an external performance criterion related to the evolution of the stock market price has been added to these internal conditions: the Total Shareholder Return (TSR). The internal performance criteria retained by the Board of Directors based on the Nominations and Remuneration Committee's proposal, are assessed relative to level of attainment of targets for Alstom's recurrent adjusted EBIT margin and free cash flow for the 2016/17, 2017/18 and 2018/19 fiscal years. The grant allocated to Mr Henri Poupart-Lafarge represents 0,02% of the share capital at the grant date and 0.72% of the global envelop authorised by the General Shareholders' Meeting held on 18 December 2015.</p> <p>The valuation of these 36,000 performance shares on the grant date of the Plan according to IFRS 2, after taking into account a discount associated with the probability of continued employment within the Company and before taking into account the spread-out effect of the charge, amounts to €560,746.</p>

PRESENTATION OF THE RESOLUTIONS

BOARD OF DIRECTORS' REPORT TO THE COMBINED SHAREHOLDERS' MEETING RELATING TO THE RESOLUTIONS

	Amount or Book Value on which to vote	Notes
Attendance fees	N/A	Mr Henri Poupart-Lafarge receives no attendance fees with respect to his directorship.
Severance pay	No payment	<p>In the event of a forced departure, the Chairman and Chief Executive Officer cannot keep rights to the exercise of vesting stock options or to vesting performance shares granted in the context of his mandate during the last two plans. Furthermore, he would benefit from a severance payment subject to performance conditions in the case of early termination of his social mandate. The severance payment would be equal to two years of his target remuneration, fixed and variable (to which would be applied a coefficient corresponding to the average level of attainment of targets applicable to his variable remuneration for the three years preceding his departure, capped at 100%) decreased by the value of the severance payment to which he could be eligible in case of early termination of his employment contract which has been suspended during his social mandate , i.e. €1,856,000. Consequently, the severance payment to which the Chairman and Chief Executive Officer could be entitled under his social mandate could not exceed €1,144,000.</p> <p>The Chairman and Chief Executive Officer does not benefit from any specific measure protecting his vested rights under the defined benefit supplemental pension plan in the event that he leaves the Company prior to the liquidation of his retirement pension.</p>
Severance pay from a Non-Compete Agreement	N/A	Mr Henri Poupart-Lafarge receives no remuneration for non-competition.

PRESENTATION OF THE RESOLUTIONS

BOARD OF DIRECTORS' REPORT TO THE COMBINED SHAREHOLDERS' MEETING RELATING TO THE RESOLUTIONS

	Amount or Book Value on which to vote	Notes
Supplemental retirement plans	No direct payment	<p><u>Defined contribution plan</u></p> <p>This commitment was authorised by the Board of Directors at its meeting dated 28 January 2016.</p> <p>The rights are acquired annually and correspond to 1% of the annual remuneration up to four times the Social Security ceiling, 4% of the annual remuneration within a range of four to eight times the Social Security ceiling and 11% of the annual remuneration within a range of eight to twelve times the Social Security ceiling. 95% of social contributions are borne by the Company. The amount of contributions paid to AXA for fiscal year 2015/16 (period from 1 February 2016 to 31 March 2016) for the benefit of Mr Henri Poupart-Lafarge in connection with his mandate under the defined contribution plan totals €4,336 of which €4,119 is paid by the Company.</p> <p><u>Defined benefit plan</u></p> <p>This commitment was authorised by the Board of Directors at its meeting dated 28 January 2016.</p> <p>The defined benefit plan is additional to the defined contribution plan.</p> <p>The defined benefit plan covers persons exercising functions within the Group in France whose base annual remuneration exceeds eight times the annual French social security ceiling. The rights under the plan are vested only if the beneficiary retires from the Company and after claiming his or her retirement rights. Beneficiaries, who after reaching the age of 55 years, are dismissed for any reason other than an act of gross negligence, can also benefit from this scheme provided they do not exercise any professional activities prior to the liquidation of their pension.</p> <p>Entitlements are acquired gradually and only represent, per year of seniority in the scheme, a limited percentage of the annual compensation corresponding to 0.6% of the annual reference remuneration within a range of eight to twelve times the Social Security ceiling and to 1.2% of the annual reference remuneration in excess of twelve times the Social Security ceiling. The yearly acquisition of rights by the Chairman and Chief Executive Officer is submitted to a performance condition. The annual reference remuneration is equal to the average fixed and variable remuneration received over the course of the past three years prior to retirement. This annual reference remuneration is capped at €2 million.</p> <p>The amount of the annual pension that could be paid to beneficiaries cannot exceed eight times the annual Social Security ceiling (assessed on the day the beneficiary goes into retirement). As such, with respect to Henri Poupart-Lafarge, the maximum income percentage over which the defined benefit supplemental retirement scheme would grant a right is much lower than the cap set under the AFEP-MEDEF Code, which is equal to 45% of the reference income.</p> <p>Even though the plan does not set a minimum seniority requirement of two years to be met in order to benefit from it, the plan remains compliant with the intention behind the AFEP-MEDEF recommendation insofar as the right are acquired gradually and only represented a limited share of annual remuneration. The gradual accrual of potential rights based on seniority in the scheme represents a percentage that is lower than the 5% cap on the beneficiary's remuneration provided for under the AFEP-MEDEF Code.</p> <p>Under the defined benefit plan, as of 31 March 2016, the amount of commitments recorded by the Group for the benefit of Mr Henri Poupart-Lafarge totals €4,200,478, including an amount of €812,996 in taxes applicable to supplemental retirement schemes as increased first on 1 January 2013 and later on 1 January 2015. This commitment includes amounts Mr Henri Poupart-Lafarge previously accumulated as an Alstom employee.</p>
Collective life, disability and health insurance plans	No direct payment	Mr Henri Poupart-Lafarge receives, like all other employees in France beyond a certain level of responsibility, extra medical coverage and a death or disability health insurance contract, the costs of which were borne in part by the Company.
Benefit in kind	Valuation: €550 for the fiscal year	Mr Henri Poupart-Lafarge was assigned a Company car, corresponding to a benefit in kind of €550 for the period running from 1 February 2016 to 31 March 2016, or €3,300 per year.

PRESENTATION OF THE RESOLUTIONS

BOARD OF DIRECTORS' REPORT TO THE COMBINED SHAREHOLDERS' MEETING RELATING TO THE RESOLUTIONS

Authorisation to carry out a transaction involving the Company's shares (maximum purchase price: €45 per share)

(Ninth resolution)

The Shareholders' Meeting of 30 June 2015 authorised the Board to acquire the Company's shares for eighteen months. This authorisation was not used during the course of the past fiscal year and will expire on 1 January 2017.

It is proposed to renew this authorisation so that the Company remains allowed to purchase its shares at any time excluding during any take-over period on the Company's share capital. This authorisation shall be valid for eighteen months as from this Shareholders' Meeting.

This authorisation may be used in order to:

- cancel all or part of the shares acquired (within the conditions laid down by law and notably within the framework of authorisation granted by the Shareholders' Meeting dated 30 June 2015 requested in the nineteenth resolution);
- allocate or sell shares to employees, former employees or corporate officers of the Company and its affiliated companies as defined in Articles L. 225-180 and L. 233-16 of the French Commercial Code, in particular through employee savings plans, stock option plans or free share plans, employee shareholding plans or any other share-based compensation mechanism;
- hold the shares purchased, or sell, transfer or exchange the shares purchased as part of or following any external growth transactions within the limit set forth in the 6th paragraph of Article L. 225-209 of the French Commercial Code;
- deliver shares upon the exercise of rights attached to securities giving access, by any means, immediately or in the future, to the share capital;
- ensure the liquidity of the market and to lead the market for the Company's shares within the framework of a liquidity contract through an

authorised investment services provider, acting completely independently, complying with a code of ethics agreed upon by the French Stock Market Authority (*Autorité des marchés financiers*, or "AMF");

- as well as implement any market practice that could potentially be allowed by the AMF and, more generally, to carry out any other transaction in compliance with applicable regulations.

The purchase, sale, transfer or exchange of these shares, in whole or in part, may be effected, in accordance with the rules set by the relevant regulatory bodies, on regulated markets or off the market, including multilateral trading facilities (MTFs) or *via* a systematic internaliser, by any means, including through a block transfer of securities or the use or exercise of any financial instruments, derivative products, particularly through optional transactions such as the purchase and sale of options and at any time within the limits set forth by laws and regulations excluding during any take-over period on the Company's share capital. The portion of the programme carried out in the form of a block transfer can constitute the entire programme.

The maximum purchase price per share would be fixed at €45 (excluding expenses). The number of shares which may be purchased pursuant to this authorisation cannot exceed 10% of the share capital as of the completion of the buyback of the Company's shares, in other words, as of 31 March 2016, a theoretical maximum number of 21,912,704 shares of par value €7 each and a theoretical maximum amount of €986,071,680 based upon the maximum purchase price set above. However, the number of shares acquired by the Company to be held as treasury shares to be used at a later date as payment or in exchange in the context of an external growth transaction cannot exceed 5% of the share capital.

Every year, the Board of Directors will inform the General Shareholders' Meeting regarding transactions carried out in the context of this resolution, in accordance with the terms of Article L. 225-211 of the French Commercial Code. The description of the share purchase programme is set forth in the 2015/16 Registration Document, in the section entitled "Additional Information."

PRESENTATION OF THE RESOLUTIONS

BOARD OF DIRECTORS' REPORT TO THE COMBINED SHAREHOLDERS' MEETING RELATING TO THE RESOLUTIONS

ON THE EXTRAORDINARY PART OF THE SHAREHOLDERS' MEETING

Renewal of financial authorisations

The table below summarizes the authorisations to increase the share capital, to grant stock options or free shares previously granted by the Shareholders' Meeting.

Nature of the authorisation	Maximum nominal amount authorised	Nominal amount used during expired fiscal year	Available amount	Expiry/ Duration
ISSUANCE OF SECURITIES				
Delegation of competence to issue shares and securities giving access to the share capital with preferential subscription right and/or by capitalization of reserves (AGM dated 1 July 2014, resolution No. 13)	Share capital: €1,080 million (corresponds to 50% of the share capital) ⁽¹⁾⁽⁵⁾ Debt securities: €3 billion ⁽²⁾	None	Maximum amount authorised	1 September 2016 (duration: 26 months)
Delegation of competence to issue shares and securities giving access to the share capital with cancellation of the preferential subscription right and option to offer a priority right (AGM dated 1 July 2014, resolution No. 14)	Share capital: €215 million (corresponds to approximately 10% of the share capital) ⁽⁵⁾ , less any capital increase with cancellation of the preferential subscription right and private placement and any capital increase in consideration of contributions in kind issued by virtue of resolutions No. 15, 16 and 17) of AGM dated 1 July 2014 ⁽¹⁾⁽³⁾ Debt securities: €1.5 billion ⁽²⁾	None	Maximum amount authorised	1 September 2016 (duration: 26 months)
Delegation of competence to issue shares and securities giving access to the share capital with cancellation of the preferential subscription right via a private placement (AGM dated 1 July 2014, resolution No. 15)	Share capital: €215 million (corresponds to approximately 10% of the share capital) ⁽⁵⁾ , less any capital increase with cancellation of the preferential subscription right and private placement and any capital increase in consideration of contributions in kind issued by virtue of resolutions No. 14, 16 and 17 of AGM dated 1 July 2014 ⁽¹⁾⁽³⁾ Debt securities: €1.5 billion ⁽²⁾	None	Maximum amount authorised	1 September 2016 (duration: 26 months)
Delegation of competence to increase by 15% the amount of the initial issue with maintenance or cancellation of the preferential subscription right (AGM dated 1 July 2014, resolution No. 16)	Not to exceed 15% of the initial issuance, and to be deducted from the maximum amounts authorised by the delegations of authority under which the initial issuance is carried out (resolutions No. 13, 14 and 15 of AGM dated 1 July 2014) ⁽¹⁾⁽³⁾ Debt securities: €1.5 billion ⁽²⁾	None	Maximum amount authorised	1 September 2016 (duration: 26 months)
Delegation of competence to increase the share capital by up to 10% of the share capital in consideration of contributions in kind (AGM dated 1 July 2014, resolution No. 17)	10% of the share capital to be deducted from the overall limits set in resolutions No. 14 and 15 of AGM dated 1 July 2014 ⁽¹⁾⁽³⁾	None	Maximum amount authorised	1 September 2016 (duration: 26 months)

PRESENTATION OF THE RESOLUTIONS

BOARD OF DIRECTORS' REPORT TO THE COMBINED SHAREHOLDERS' MEETING RELATING TO THE RESOLUTIONS

Nature of the authorisation	Maximum nominal amount authorised	Nominal amount used during expired fiscal year	Available amount	Expiry/ Duration
OFFERINGS RESERVED FOR EMPLOYEES AND EXECUTIVES				
Delegation of competence to issue shares and other securities granting rights to the share capital without preferential subscription rights, reserved for members of a Group savings plan (AGM dated 1 July 2014, resolution No. 18)	2% of the share capital as of the date of the Shareholders' Meeting, minus any amount issued by virtue of resolution No. 19 of AGM dated 1 July 2014 ⁽¹⁾⁽⁴⁾	None	Maximum amount authorised	1 September 2016 (duration: 26 months)
Authorisation of free allocation of existing or new shares up to 5,000,000 shares (AGM 18 December 2015, resolution No. 2)	2.3% of the share capital	957,975 shares <i>i.e.</i> 0.43% of the share capital at date of grant	4,042,025 shares <i>i.e.</i> 1,0.84% of the share capital ⁽⁶⁾	18 February 2019 (duration: 38 months)
SHARE BUYBACK AND SHARE CAPITAL REDUCTION				
Share buyback authorisation (AGM dated 30 June 2015, resolution No. 18)	10% of the share capital as of 31 March 2015	None	Maximum amount authorised	30 December 2016 (duration: 18 months)
Authorisation to reduce the share capital by cancelling shares (AGM dated 30 June 2015, resolution No. 19)	10% of the share capital	None	Maximum amount authorised	30 June 2017 (duration: 24 months)

(1) Global limitation of the capital increases resulting from these authorisations to €1,080 million corresponding to approximately 50% of the share capital as of 31 March 2014 (before any adjustments).

(2) Global limitation of the amount of debt securities resulting from these authorisations to €3 billion.

(3) Global limitation of capital increases resulting from these authorisations with cancellation of preferential subscription rights to €215 million corresponding to approximately 10% of the share capital as of 31 March 2014 (before any adjustments).

(4) Global limitation of capital increases related to employee shareholding to 2% of the share capital at the date of the Shareholders' General Meeting (before any adjustments).

(5) On the basis of the share capital as of 31 March 2014 which amounted to €2,160,915,022 consisting of 308,702,146 shares with a nominal value of €7 per share.

(6) On the basis of the share capital at the date of the Shareholders' General Meeting (adjusted to take into account the capital reduction following the public share buy-back – OPRA).

It is hereby proposed to renew all of the delegations to issue capital securities which will expire in 2016 and approve others in order to enable the Company to continue to secure the means to finance its growth strategy and seize any market opportunities.

Within the framework of the proposed financial delegations, the total amount of authorised capital increases (all resolutions included, in particular employee shareholding transactions issuances as per the twenty-sixth and twenty-seventh resolutions) would be subject to a ceiling of approximately 33% of the share capital as of 31 March 2016, or **€506 million (overall limit)**, including a maximum of **€153 million** or approximately 10% of the share capital as of 31 March 2016 for capital increases with no preferential subscription right (through public offers or private placements) which include the capital increases in consideration of contributions in kind (**thirteenth and twenty-first resolutions**) for which the 10% ceiling does not autonomously apply. The delegation of authority proposed in the context of the **fourteenth and twenty-second resolutions** to increase the amount of the initial issuance by up to 15% with or without preferential subscription

rights, is not autonomous and would therefore be included in the aggregate ceiling authorised for the initial issuance and in the overall ceiling set under the tenth resolution.

The financial authorisations proposed from the **tenth to the seventeenth resolutions** would be used only outside public tender offer's period. The Financial authorisations proposed from the **eighteenth to the twenty-fifth resolutions** would be used during public tender offer's period.

It is also proposed to renew the authorisations related to capital increases relative to employee shareholding transactions (**twenty-sixth and twenty-seventh resolutions**) with a specific ceiling which would remain set at 2% of the share capital as of the day of the Shareholders' Meeting and would reduce the overall capital increase limit of **€506 million** set in the **tenth and eighteenth resolution**. These authorisations are intended for the development of employee savings, which total 1,35% of the share capital of the Company as of 31 March 2016 (either directly or *via* Alstom's *fonds commun de placement* (French shareholding mutual fund)).

PRESENTATION OF THE RESOLUTIONS

BOARD OF DIRECTORS' REPORT TO THE COMBINED SHAREHOLDERS' MEETING RELATING TO THE RESOLUTIONS

The summary table below provides a synopsis of the financial authorisations presented to you for renewal or approval:

Nature of the authorisation	Maximum nominal amount authorised	Expiry/Duration
ISSUANCE OF SECURITIES		
Delegation of competence to issue shares and securities giving access to the share capital with preferential subscription right and/or by capitalisation of reserves (only available outside of public tender offers' periods) (AGM dated 5 July 2016, resolution No. 10)	Share capital: €506 million, which corresponds to approximately 33% of the share capital) ⁽¹⁾⁽⁵⁾ Debt securities: €1.5 billion ⁽²⁾	5 September 2018 (duration: 26 months)
Delegation of competence to issue shares and securities giving access to the share capital with cancellation of the preferential subscription right, <i>via</i> a public offer and option to offer a priority right (only available outside of public tender offers' periods) (AGM dated 5 July 2016, resolution No. 11)	Share capital: €153 million, which corresponds to approximately 10% of the share capital ⁽⁵⁾ , minus any capital increase with cancellation of the preferential subscription right by virtue of resolutions No. 12, 13, 14, 15, 16, 17, 19, 20, 21, 22, 23, 24 and 25 ⁽¹⁾⁽³⁾ Debt securities: €750 million ⁽²⁾	5 September 2018 (duration: 26 months)
Delegation of competence to issue shares and securities giving access to the share capital with cancellation of the preferential subscription right <i>via</i> a private placement (only available outside of public tender offers' periods) (AGM dated 5 July 2016, resolution No. 12)	Share capital: €153 million, which corresponds to approximately 10% of the share capital ⁽⁵⁾ , minus any capital increase with cancellation of the preferential subscription right by virtue of resolutions No. 11, 13, 14, 15, 16, 17, 19, 20, 21, 22, 23, 24 and 25 ⁽¹⁾⁽³⁾ Debt securities: €750 million ⁽²⁾	5 September 2018 (duration: 26 months)
Delegation of authority to increase the share capital by no more than 10% in consideration of contributions in kind (only available outside of public tender offers' periods) (AGM dated 5 July 2016, resolution No. 13)	Share capital: €153 million, which corresponds to approximately 10% of the share capital ⁽⁵⁾ , minus any capital increase with cancellation of the preferential subscription right by virtue of resolutions No. 11, 12, 14, 15, 16, 17, 19, 20, 21, 22, 23, 24 and 25 ⁽¹⁾⁽³⁾	5 September 2018 (duration: 26 months)
Delegation of competence to issue by up to 15% the amount of the initial issue with maintenance or cancellation of the preferential subscription rights (only available outside of public tender offers' periods) (AGM dated 5 July 2016, resolution No. 14)	Not to exceed 15% of the initial issuance, and to be deducted from the maximum amounts authorised by the delegations of authority under which the initial issuance is carried out (resolutions No. 10, 11, 12, 15, 17, 18, 19, 20, 23 and 25) ⁽¹⁾⁽³⁾ Debt securities: €750 million ⁽²⁾	5 September 2018 (duration: 26 months)
Delegation of competence to set the issuance price with cancellation of the preferential subscription rights, <i>via</i> a public offer or private placement of capital (only available outside of public tender offers' periods) (AGM dated 5 July 2016, resolution No. 15)	Not to exceed 10% of the share capital, and deducted from the maximum amounts authorised under the delegations by virtue of which the initial issuance is carried out (resolutions No. 11, 12, 13, 14, 16, 17, 19, 20, 21, 22, 23, 24 and 25) ⁽¹⁾⁽³⁾ Debt securities: €750 million ⁽²⁾	5 September 2018 (duration: 26 months)
Delegation of competence to issue, with cancellation of the preferential subscription right, Company shares and securities granting access to the Company's share capital in the event of a public exchange offer initiated by the Company (only available outside of public tender offers' periods) (AGM dated 5 July 2016, resolution No. 16)	Share capital: €153 million, which corresponds to approximately 10% of the share capital ⁽⁵⁾ , minus any capital increase with cancellation of the preferential subscription right by virtue of resolutions No. 11, 12, 13, 14, 15, 17, 19, 20, 21, 22, 23 and 25 ⁽¹⁾⁽³⁾	5 September 2018 (duration: 26 months)
Delegation of competence to issue Company shares, with cancellation of the preferential subscription right, as a result of the Company's subsidiaries issuing securities granting access to the Company's share capital (only available outside of public tender offers' periods) (AGM dated 5 July 2016, resolution No. 17)	Share capital: €153 million, which corresponds to approximately 10% of the share capital ⁽⁵⁾ , minus any capital increase with cancellation of the preferential subscription right by virtue of resolutions No. 11, 12, 13, 14, 15, 16, 19, 20, 21, 22, 23, 24 and 25 ⁽¹⁾⁽³⁾	5 September 2018 (duration: 26 months)
Delegation of competence to issue shares and securities giving access to the share capital with preferential subscription right and/or by capitalisation of reserves (only available during public tender offers' periods) (AGM dated 5 July 2016, resolution No. 18)	Share capital: €506 million, which corresponds to approximately 33% of the share capital) ⁽¹⁾⁽⁵⁾ Debt securities: €1.5 billion ⁽²⁾	5 September 2018 (duration: 26 months)

PRESENTATION OF THE RESOLUTIONS

BOARD OF DIRECTORS' REPORT TO THE COMBINED SHAREHOLDERS' MEETING RELATING TO THE RESOLUTIONS

Nature of the authorisation	Maximum nominal amount authorised	Expiry/Duration
Delegation of competence to issue shares and securities giving access to the share capital with cancellation of the preferential subscription right, <i>via</i> a public offer and option to offer a priority right (only available during public tender offers' periods) (AGM dated 5 July 2016, resolution No. 19)	Share capital: €153 million, which corresponds to approximately 10% of the share capital ⁽⁵⁾ , minus any capital increase with cancellation of the preferential subscription right by virtue of resolutions No. 11, 12, 13, 14, 15, 16, 17, 20, 21, 22, 23, 24 and 25 ⁽¹⁾⁽³⁾ Debt securities: €750 million ⁽²⁾	5 September 2018 (duration: 26 months)
Delegation of competence to issue shares and securities giving access to the share capital with cancellation of the preferential subscription right <i>via</i> a private placement (only available during public tender offers' periods) (AGM dated 5 July 2016, resolution No. 20)	Share capital: €153 million, which corresponds to approximately 10% of the share capital ⁽⁵⁾ , minus any capital increase with cancellation of the preferential subscription right by virtue of resolutions No. 11, 12, 13, 14, 15, 16, 17, 19, 21, 22, 23, 24 and 25 ⁽¹⁾⁽³⁾ Debt securities: €750 million ⁽²⁾	5 September 2018 (duration: 26 months)
Delegation of authority to increase the share capital by no more than 10% in consideration of contributions in kind (only available during public tender offers' periods) (AGM dated 5 July 2016, resolution No. 21)	Share capital: €153 million, which corresponds to approximately 10% of the share capital ⁽⁵⁾ , minus any capital increase with cancellation of the preferential subscription right by virtue of resolutions No. 11, 12, 13, 14, 15, 16, 17, 19, 20, 22, 23, 24 and 25 ⁽¹⁾⁽³⁾	5 September 2018 (duration: 26 months)
Delegation of competence to issue by up to 15% the amount of the initial issue with maintenance or cancellation of the preferential subscription rights (only available during public tender offers' periods) (AGM dated 5 July 2016, resolution No. 22)	Not to exceed 15% of the initial issuance, and to be deducted from the maximum amounts authorised by the delegations of authority under which the initial issuance is carried out (resolutions No. 10, 11, 12, 15, 17, 18, 19, 20, 23 and 25) ⁽¹⁾⁽³⁾ Debt securities: €750 million ⁽²⁾	5 September 2018 (duration: 26 months)
Delegation of competence to set the issuance price with cancellation of the preferential subscription rights, <i>via</i> a public offer or private placement of capital (only available during public tender offers' periods) (AGM dated 5 July 2016, resolution No. 23)	Not to exceed 10% of the share capital, and deducted from the maximum amounts authorised under the delegations by virtue of which the initial issuance is carried out (resolutions No. 11, 12, 13, 14, 15, 16, 17, 19, 20, 21, 22, 24 and 25) ⁽¹⁾⁽³⁾ Debt securities: €750 million ⁽²⁾	5 September 2018 (duration: 26 months)
Delegation of competence to issue, with cancellation of the preferential subscription right, Company shares and securities granting access to the Company's share capital in the event of a public exchange offer initiated by the Company (only available during public tender offers' periods) (AGM dated 5 July 2016, resolution No. 24)	Share capital: €153 million, which corresponds to approximately 10% of the share capital ⁽⁵⁾ , minus any capital increase with cancellation of the preferential subscription right by virtue of resolutions No. 11, 12, 13, 14, 15, 16, 17, 19, 20, 21, 22, 23 and 25 ⁽¹⁾⁽³⁾	5 September 2018 (duration: 26 months)
Delegation of competence to issue Company shares, with cancellation of the preferential subscription right, as a result of the Company's subsidiaries issuing securities granting access to the Company's share capital (only available during public tender offers' periods) (AGM dated 5 July 2016, resolution No. 25)	Share capital: €153 million, which corresponds to approximately 10% of the share capital ⁽⁵⁾ , minus any capital increase with cancellation of the preferential subscription right by virtue of resolutions No. 11, 12, 13, 14, 15, 16, 17, 19, 20, 21, 22, 23 and 24 ⁽¹⁾⁽³⁾	5 September 2018 (duration: 26 months)

OFFERINGS RESERVED FOR EMPLOYEES AND EXECUTIVES

Delegation of competence to issue shares and other securities granting rights to the share capital reserved for members of a Group savings plan with cancellation of the preferential subscription rights (AGM dated 5 July 2016, resolution No. 26)	2% of the share capital at the date of the Shareholders' Meeting, less any amount issued by virtue of resolution No. 27 ⁽¹⁾⁽⁴⁾	5 September 2018 (duration: 26 months)
Delegation of competence to issue shares reserved for a category of beneficiaries with cancellation of the preferential subscription rights (AGM dated 5 July 2016, resolution No. 27)	0.5% of the share capital at the date of the Shareholders' Meeting, to be deducted from the overall limit set in resolution No. 26 ⁽¹⁾⁽⁴⁾	5 January 2018 (duration: 18 months)

(1) Global limitation of the capital increases resulting from these authorisations to €506 million corresponding to approximately 33% of the share capital as of 31 March 2016 before any adjustments.

(2) Global limitation of the amount of debt securities resulting from these authorisations to €1.5 billion.

(3) Global limitation of capital increases resulting from these authorisations without preferential subscription right (resolutions No. 11, 12, 13, 14, 15, 16, 17, 19, 20, 21, 22, 23, 24 and 25) to €153 million corresponding to approximately 10% of the share capital as of 31 March 2016 (before any adjustments).

(4) Global limitation of capital increases related to employee shareholding resulting from these authorisations to 2% of the share capital as of this Shareholders' Meeting (before any adjustments).

(5) On the basis of the share capital as of 31 March 2016 amounting to €1,533,889,308 divided into 219,127,044 shares of nominal value €7 each.

PRESENTATION OF THE RESOLUTIONS

BOARD OF DIRECTORS' REPORT TO THE COMBINED SHAREHOLDERS' MEETING RELATING TO THE RESOLUTIONS

Issues of shares or any other securities giving access to the share capital with or without preferential subscription rights (available only outside public tender offers' periods)

(Tenth, eleventh, and twelfth resolutions)

Issues with preferential subscription right and without preferential subscription right through, in particular, a public offer or a private placement

The **tenth resolution** is a proposal to replace the delegation granted by the Ordinary and Extraordinary Shareholders' Meeting held on 1 July 2014, in its thirteenth resolution, which has not been used, by a new delegation, allowing the Board of Directors, for a new period of twenty-six months, to issue, in one or more stages, in any currency and on any financial market, with maintenance of the preferential subscription rights of existing shareholders of the Company, ordinary shares of the Company and any other securities giving access immediately and/or in the future to ordinary shares of the Company (bonds convertible or redeemable into shares, shares or bonds with warrants to subscribe for shares...), or of a company in which it directly or indirectly holds more than half of the share capital, within the limit of an aggregate nominal amount of share capital increase of €506 million, representing around 33% of the share capital as of 31 March 2016 and of a nominal amount of debt securities of €1.5 billion or its exchange value in any other currency. This delegation would also allow the Company to carry out share capital increases through the capitalisation of reserves, benefits or issue premiums, and to allocate warrants free of charge.

The nominal amount of the share capital increase of €506 million constitutes a maximum overall limit which would be reduced by the nominal amount of any share capital increase which may be issued without preferential subscription rights pursuant to the **eleventh to twenty-seventh resolutions**.

The nominal amount of debt securities of €1.5 billion constitutes a maximum overall limit which would be reduced by the nominal amount of debt securities which may be issued pursuant to the **eleventh to twenty-seventh resolutions**.

The **eleventh and twelfth resolutions** are a proposal that the Board of Directors should be given the delegation of authority to issue the securities referred to in the tenth resolution, for the same period but with cancellation of the preferential subscription rights of existing shareholders through a public offer in France or abroad (**eleventh resolution**) or *via* a private placement for the benefit of persons providing portfolio management investment services on behalf of third parties, of qualified investors, or of a restricted group of investors provided such investors act on their own behalf (**twelfth resolution**) and with the option to grant existing shareholders a period of priority to subscribe the securities in case of a public offer, within the limit of an aggregate nominal amount of share capital increase of €153 million, representing approximately 10% of the share capital as of 31 March 2016 (excluding adjustments linked to subsequent issues of new securities), and of a nominal amount of debt securities of €750 million or its exchange value in any other currency.

This **eleventh resolution** would cancel and replace the comparable delegation granted by the Shareholders' Meeting of 1 July 2014, which has not been used.

The **twelfth resolution** would supersede the similar authorisation granted by the Shareholders' Meeting of 1 July 2014, which was not used.

The nominal amount of the share capital increase of €153 million applicable to each of these two resolutions would constitute a maximum overall limit for capital increases with no preferential subscription right which may be issued pursuant to the **eleventh to seventeenth and nineteenth to twenty-fifth resolutions**. This limit shall be set at 10%. This nominal amount would reduce the global maximum nominal amount of any share capital increase, which may be issued with preferential subscription right pursuant to the tenth resolution.

The aggregate nominal amount of the securities that are representative of the Company's debt and which may be issued by virtue of the delegation without preferential subscription right shall be deducted from the overall limit fixed for the issue with preferential subscription rights so that the aggregate nominal amount which may result from both the issue with and without preferential subscription right does not exceed €1.5 billion.

The ability to issue these securities without a preferential subscription right would enable the Board to take advantage of issuance opportunities more quickly, based on the evolution of financial markets, the Group's strategy and its financing needs in particular for new acquisitions, or to have the ability to simultaneously issue such securities on the French and international financial markets, without being subject to any deadline. Please note that in order to allow the companies to optimise their access to the financial markets and to benefit from better market terms and conditions, the French Monetary and Financial Code offers this possibility to implement share capital increases through private placements which are transactions without preferential subscription right exclusively for the benefit of (i) persons providing portfolio management investment services on behalf of third parties, or (ii) qualified investors or a restricted group of investors provided such investors act on their own behalf.

For those issuances effected without preferential subscription rights, the Board of Directors will set the issue price of the securities to be issued so that the Company will receive, for each share created, an amount at least equal to the minimum value fixed by law, currently equal to the average share price of the Company on Euronext Paris during the last three trading days prior to the issue price setting that can possibly be decreased by a maximum discount of 5%, after adjustment of this average, where applicable, to take into consideration the difference in the dates of entitlement to dividends and after taking into account, in the event of an issue of warrants not attached to any securities, the issue price of such warrants.

For issuances with preferential subscription rights under the **tenth resolution**, the amount to which the Company is or may be entitled for each of the shares issued will be at least equal to the nominal value of the Company's share.

If debt securities with warrants or otherwise giving right to shares are issued pursuant to these three delegations, their issue price will be set in accordance with market practice.

The right to receive shares attached to securities issued pursuant to these resolutions may be exercised on set dates, at all times or during one or several periods to be determined by the Board of Directors, starting at the earliest as from the issuance of such securities and expiring in the event of the redemption, conversion or exchange of debt securities, at the latest three months after their maturity date, and in other cases at the latest seven years after the issuance of the securities.

The Board of Directors may use these delegations of competence at any time; however, in case a third party files a tender offer on the shares of the Company, the Board of Directors shall not, during the length of the tender offer period, decide to implement the present delegation of competence, except with the prior approval of the Shareholders' Meeting.

PRESENTATION OF THE RESOLUTIONS

BOARD OF DIRECTORS' REPORT TO THE COMBINED SHAREHOLDERS' MEETING RELATING TO THE RESOLUTIONS

Share capital increases in consideration of contributions in kind (available only outside tender offer's periods)

(Thirteenth resolution)

In the **thirteenth resolution**, you are asked to cancel the previous authorisation granted by the Ordinary and Extraordinary Shareholders' Meeting held on 1 July 2014 in its seventeenth resolution, and to renew this authorisation allowing the Shareholder's Meeting to delegate to the Board of Directors the powers to carry out share capital increases intended, outside of the context of a tender exchange offer ("OPE"), to remunerate contributions in kind pertaining to capital securities or securities giving access to the share capital.

The existing authorisation was not used during the fiscal year ending on 31 March 2016.

Within this new authorisation, the share capital increases would remain limited to 10% of the Company's share capital and in the event this authorisation is used, the Board of Directors would decide on the share capital increase after consideration of the report of the External Auditor on contributions under the conditions set forth by law.

This maximum amount of share capital increase referred to in this resolution would not be independent and would reduce the overall €153 million cap on share capital increases without preferential subscription rights and the overall €506 million cap on share capital increases with preferential subscription rights proposed in the preceding resolutions.

This authorisation would be valid for twenty-six months.

The Board of Directors may use these delegations of competence at any time; however, in case a third party files a tender offer on the shares of the Company, the Board of Directors shall not, during the length of the tender offer period, decide to implement the present delegation of competence, except with the prior approval of the Shareholders' Meeting.

Increase of the initial issue (available only outside tender offer's periods)

(Fourteenth resolution)

In conformity with applicable law, the delegation set out in the **fourteenth resolution**, would allow the Board of Directors, for any issue decided under the **tenth, eleventh, twelfth, fifteenth, seventeenth, eighteenth, nineteenth, twentieth, twenty-third and twenty-fifth resolutions**, to increase the amount of the initial issue by up to 15% and within the limits of the overall maximum amounts set forth under the **tenth, eleventh to seventeenth and nineteenth to twenty-fifth resolutions** as applicable, within 30 days from the closing of the subscription period, in case of an excess subscription demand. This possibility is recommended in the context of volatility of market conditions as it will allow the Board of Directors to exercise over-allotment options. The delegation granted under this resolution may not be used, without prior authorization by the General Meeting, as

from the filing by a third party of a public offer for the securities of the Company until the end of the offer period.

In the event the Board of Directors decides to use these resolutions, in accordance with the provisions of Article R. 225-116 of the French Commercial Code, the final conditions of the issue as well as its effect shall be subject to supplementary reports by the Board of Directors and the Statutory Auditors.

The Board of Directors may use these delegations of competence at any time; however, in case a third party files a tender offer on the shares of the Company, the Board of Directors shall not, during the length of the tender offer period, decide to implement the present delegation of competence, except with the prior approval of the Shareholders' Meeting.

Share capital increase without shareholders' preferential subscription rights at a price set freely by the Board of Directors (available only outside tender offer's periods)

(Fifteenth resolution)

In the **fifteenth resolution**, the Shareholders' Meeting delegates its authority to the Board of Directors, in the event of an issuance of ordinary shares and/or securities without preferential subscription rights *via* a public offer or a private placement decided in the context of the **eleventh, twelfth, thirteenth, fourteenth, sixteenth, seventeenth, nineteenth, twentieth, twenty-first, twenty-second, twenty-third, twenty-fourth and twenty-fifth resolutions**, for the purpose of setting the most favourable issuance price possible given market conditions at the time of the offer.

The Shareholder's Meeting is asked to authorise the Board of Directors to set the issuance price of the capital securities to be issued immediately or in the future *via* a public offer or a private placement, in accordance with the following terms and conditions:

- a) for those capital securities to be issued immediately, the Board can choose one of the following two options: an issuance price equal to the average of the share prices recorded during a maximum six-month time frame prior to the issuance or an issuance price equal to the weighted average market price on the day before the issuance (one day VWAP), including a maximum 20% discount, in order to allow the Company to have the necessary flexibility room to finance its growth strategy and seize market opportunities;
- b) for those capital securities to be issued in the future, the issuance price will be set such that the sum the Company immediately receives plus the sum it could potentially receive in the future be at least equal, for each share, to the amount discussed in part a) above.

This authorisation would be valid for twenty-six months.

The Board of Directors may use these delegations of competence at any time; however, in case a third party files a tender offer on the shares of the Company, the Board of Directors shall not, during the length of the tender offer period, decide to implement the present delegation of competence, except with the prior approval of the Shareholders' Meeting.

PRESENTATION OF THE RESOLUTIONS

BOARD OF DIRECTORS' REPORT TO THE COMBINED SHAREHOLDERS' MEETING RELATING TO THE RESOLUTIONS

Share capital increase without shareholders' preferential subscription rights in consideration of securities tendered to a public exchange offer initiated by the Company (available only outside tender offer's periods)

(Sixteenth resolution)

In the **sixteenth resolution**, the Shareholders' Meeting delegates its authority to the Board of Directors for the purpose of deciding on the issuance of Company shares or securities granting access to the Company's share capital, in consideration of securities tendered to a public exchange offer initiated by the Company in France or abroad and targeting another Company's securities.

The nominal value of share capital increases that could potentially be carried out (either immediately, or in the future in the event of an issuance of securities granting access to the share capital) in the context of this resolution cannot exceed a nominal amount of €153 million (or approximately 10% of the share capital).

This nominal share capital increase amount of €153 million will be deducted from the €506 million ceiling applicable to share capital increases with or without preferential subscription rights set under the terms of the tenth and eighteen resolutions submitted to the Shareholders' Meeting. The principal amount of the debt securities issued cannot, however, exceed €1.5 billion.

The issuance price of the securities will be set in accordance with the legislative and regulatory provisions in force on the issuance date (or, as of the date of this Shareholders' Meeting, at a price at least equal to the weighted average price of the share during the last three French stock market trading days preceding the date on which the price was set, minus a maximum 5% discount, as the case may be), it being specified that the Board of Directors is responsible for determining the exchange rate parity.

This authorisation would be valid for twenty-six months.

The Board of Directors may use these delegations of competence at any time; however, in case a third party files a tender offer on the shares of the Company, the Board of Directors shall not, during the length of the tender offer period, decide to implement the present delegation of competence, except with the prior approval of the Shareholders' Meeting.

Share capital increase without shareholders' preferential subscription rights as a result of the Company's Subsidiaries issuing securities granting access to Company shares (available only outside tender offers' periods)

(Seventeenth resolution)

In the **seventeenth resolution**, the Board of Directors suggests that the Shareholders' Meeting delegate its authority to it for the purpose of deciding on the issuance, in one or several instalments, of ordinary Company shares as a result of the issuance of securities granting access to ordinary Company shares carried out by one or several companies in which the Company directly or indirectly holds an equity stake of more than 50% (hereinafter the "Subsidiaries"), in accordance with the provisions of Article L. 228-93 of the French Commercial Code, and not to exceed a maximum nominal amount

of €153 million (representing approximately 10% of the share capital) or an equivalent amount in any other currency or monetary unit established by reference to several other currencies. The issuance of such securities would be authorised by the Extraordinary Shareholders' Meeting of the Subsidiary in question and the issuance of Company shares to which these securities would grant a right would be decided by the Board of Directors at the same time based on the terms of the **seventeenth resolution**.

The Board of Directors may use these delegations of competence at any time; however, in case a third party files a tender offer on the shares of the Company, the Board of Directors shall not, during the length of the tender offer period, decide to implement the present delegation of competence, except with the prior approval of the Shareholders' Meeting.

Financial delegations available only during tender offers' periods

(Eighteenth to twenty-fifth resolutions)

The purpose of the financial delegations proposed in the eighteenth to twenty-fifth resolutions is to duplicate *mutatis mutandis* the delegations granted under the tenth to seventeenth resolutions but by providing that they shall only be available during tender offers' periods.

Increases in the share capital under a Group savings plan and share capital increases for the benefit of a category of beneficiaries

(Twenty-sixth and twenty-seventh resolutions)

We remind you that the Ordinary and Extraordinary Shareholders' Meeting dated 1 July 2014 authorised the Board to carry out capital increases reserved for members of a savings plan as well as capital increases reserved for a category of beneficiaries and intended to allow for the expansion of employee savings transactions in certain countries.

During the fiscal year ended on 31 March 2016, these authorisations were not used.

The **twenty-sixth resolution** proposes to cancel the previous resolution granted by the Ordinary and Extraordinary Shareholders' Meeting held on 1 July 2014 in its eighteenth resolution and to renew it by delegating to the Board of Directors, for a twenty-six month period, the competence to decide to increase the share capital by issuing shares or other securities giving access to the share capital within the limit of 2% of the Company's share capital as of the day of this Shareholders' Meeting (same percentage as in the previous authorisation in force) (excluding adjustments), reserved for the members of a savings plan for the employees of the Company and its affiliated companies, this limit to be deducted from the overall capital increase maximum amount set in the **tenth and eighteenth resolutions** of the Shareholders' Meeting. For the benefit of these members, we are asking you to waive the shareholders' preferential rights to subscribe to the shares and securities giving access to the share capital which may be issued based on this authorisation.

The subscription price of the shares issued, in accordance with current regulations, may not be lower than 20% of an average listed price in the twenty trading days preceding the day the decision is made setting the subscription opening date, nor higher than this average. However, the Board of Directors shall be entitled to reduce or cancel any discount so granted in order to take into account, *inter alia*, legal, social, tax or accountancy regulatory frameworks applicable outside France. The allocation of free

PRESENTATION OF THE RESOLUTIONS

BOARD OF DIRECTORS' REPORT TO THE COMBINED SHAREHOLDERS' MEETING RELATING TO THE RESOLUTIONS

shares or other securities giving access to the Company's share capital may also be made within the limits set forth by applicable regulations, in replacement of the discount or the Company's matching.

In addition, the **twenty-seventh resolution** is a proposal to cancel the delegation of authority granted to the Combined Shareholders' Meeting dated 1 July 2014 under the terms of the nineteenth resolution, and to renew it by delegating its authority to the Board, for eighteen months, for the purpose of increasing the share capital for the benefit of (i) banks or entities held by banks, which, at the request of the Company, participate in the implementation of a structured offer for employees and corporate officers of entities affiliated to the Company under the conditions set out in Articles L. 225-180 and L. 233-16 of the French Commercial Code, incorporated outside France (ii) and/or employees and corporate officers of entities affiliated to the Company under the conditions set out in Articles L. 225-180 and L. 233-16 of the French Commercial Code, incorporated outside France, (iii) or/and mutual funds (OPCVM) or any other entity invested in the Company's securities and whose shareholders will be the persons referred to above in (ii). We therefore ask you to waive the preferential subscription right to shares issued pursuant to this delegation and reserve the right to subscribe to the category of beneficiaries with the characteristics listed above. Such a capital increase would allow employees and corporate officers of entities affiliated to the Company incorporated outside France to benefit from an offer as close as possible, in terms of economic profile, to the offer which would be offered to the other employees of the Group pursuant to the use of the **twenty-sixth resolution** or, as the case may be, an offer benefiting from favourable treatment under local law.

The amount of capital which may result from this authorisation would be limited to 0.5% of the Company's share capital as of the day of this Shareholders' Meeting and shall be deducted from the maximum share capital increase limit fixed in the tenth and eighteenth resolution so that the amount of the share capital increase which may result from the **twenty-sixth and twenty-seventh resolutions** does not exceed 2% of the Company's share capital on the date of this Shareholders' Meeting (excluding adjustments).

The issue price of the new shares to be issued shall not be more than 20% lower than the average of the quoted price of the shares of the Company during the twenty trading days preceding the decision setting the subscription opening date to a capital increase carried out pursuant to the **twenty-sixth resolution**, or higher than that average. The Board of Directors shall be entitled to decide to reduce or cancel any discount so granted in order to take into account legal, social, tax or accountancy frameworks applicable locally.

In the event the Board of Directors decides to use these authorisations, in accordance with applicable law, the use of these authorisations would be the subject of additional reports by the Board of Directors and the Statutory Auditors.

Formalities

(Twenty-eighth resolution)

Finally, the purpose of the twentieth and final resolution is to enable the performance of legal formalities following this Shareholders' Meeting.